1964

STATE SCHOOL BUILDING AID BOND LAW OF 1964

Of this $380,000,000, $126,000,000 has even been already committed in the budget. The Legislature has anticipated spending what it didn't have.

This proposition absolutely means higher taxes or new taxes or both.

We most strongly urge a NO vote on Proposition No. 2.

THE PROPERTY OWNERS TAX ASSOCIATION OF CALIFORNIA

PAUL SHEEDY
Executive Vice President

MELVIN HORTON
Secretary

3	**FOR THE STATE SCHOOL BUILDING AID BOND LAW OF 1964.** This act provides for a bond issue of two hundred sixty million dollars ($260,000,000) to provide capital outlay for construction or improvement of public schools.	
	AGAINST THE STATE SCHOOL BUILDING AID BOND LAW OF 1964. This act provides for a bond issue of two hundred sixty million dollars ($260,000,000) to provide capital outlay for construction or improvement of public schools.	

(For Full Text of Measure, See Page 6, Part II)

Analysis by the Legislative Counsel

This proposed bond act, entitled the State School Building Aid Bond Law of 1964, would authorize a $260,000,000 bond issue to create a fund to provide aid to school districts of the State in accordance with the provisions of the State School Building Aid Law of 1952. The latter law provides for loans or grants of money to school districts for acquisition of school sites and construction and acquisition of school buildings and equipment. It would be required that sufficient bonds be sold to make available for apportionment to districts $70,000,000 on December 5, 1964, and $12,000,000 on the fifth day of each successive month thereafter until the entire $260,000,000 has become available. The State Allocation Board would be authorized to order an increase in the sale of bonds to raise the monthly apportionment to districts from $12,000,000 to $15,000,000.

All or any part of the bonds would be sold at the time or times fixed by the State Treasurer, pursuant to resolution of the State School Building Finance Committee determining that such sale is necessary or desirable, based, in turn, upon the request of the State Allocation Board, supported by a statement of the apportionments to school districts made or to be made.

The principal and interest on the bonds would be paid by moneys appropriated annually from the General Fund in the State Treasury, and it would be required that the sums necessary for these purposes be annually collected in the same manner and at the same time as other state revenue is collected. The proceeds from the sale of bonds, except those derived from premium and accrued interest, would be used for purposes of aid to school districts, and to repay moneys advanced or loaned to the State School Building Aid Fund under any other act of the Legislature, and not for payment of bond principal or interest. Provision would be made for return, from the State School Building Aid Fund to the General Fund, of school district repayment moneys in amounts equal to bond principal and interest.

A revolving fund would be established to which would be deposited moneys withdrawn from the General Fund, pursuant to executive order of the Director of Finance, in amounts not exceeding bonds authorized to be issued by the State School Building Finance Committee. This money would be used to provide aid to school districts, but would be returned to the General Fund from bond proceeds.

The act would specify that bonds sold and delivered constitute valid and legally binding general obligations of the State, and that the full faith and credit of the State is pledged for punctual payment of principal and interest. The State General Obligation Bond Law would govern the issuance, sale, and repayment of the bonds, and related matters.

Argument in Favor of Proposition No. 3

The success of this measure is essential for California's boys and girls to have adequate classrooms. A "Yes" vote on this proposition is a vote to reduce crowded classrooms and double sessions which will improve teacher morale and efficiency. School children in California are increasing by a quarter of a million a year. This means we must provide 10,000 new or renovated classrooms annually. The passage of this program will help many needy districts secure classrooms to qualify for the additional $10 per child in state aid by reducing class size in the primary grades.

This school building program has proved its value by not only providing loans to school districts that have reached the limit of their bonding capacity but also by enabling districts to build new schools which are permanent economic and moral assets to the community.

In order to intelligently handle our increasing school population, to reduce pressure on the local taxpayer, to insure our future prosperity, and to develop our most precious resource, our youth, every citizen should vote "Yes" on this measure.

CHARLES B. GARRIGUS
Assemblyman, 33rd District
California Legislature

GEORGE MILLER, Jr.
State Senator
Contra Costa County

ALVIN C. WEINGAND
State Senator
Santa Barbara County

4	**VETERANS' TAX EXEMPTION: RESIDENCY REQUIREMENT. Senate Constitutional Amendment No. 14.** Provides as requirement that no veteran or survivor shall be entitled to the veterans' tax exemption of $1,000 unless the veteran was a resident of California either or both at the time of entry into service or on the effective date of this amendment. Widow or surviving parent eligible for exemption on effective date of this amendment shall not lose exemption because of amendment.	**YES**	
		NO	

(For Full Text of Measure, See Page 8, Part II)

Analysis by the Legislative Counsel

This measure would amend the second sentence of Section 1¼ of Article XIII. That section, among other things, now provides for a $1,000 property tax exemption for described veterans and their surviving widows or parents under specified conditions. The only existing limitation as to residency is that such a person be a legal resident of California.

This constitutional amendment would restrict the exemption to a veteran who was a resident of California either at the time of his entry into the service or on the effective date of the adoption of the amendment, and to such a veteran's surviving widow or parent. It would, however, provide that a surviving widow or parent otherwise eligible for the exemption at the effective date of the amendment shall not lose such eligibility because the deceased veteran who was survived could not have qualified under the residency requirements proposed by the amendment.

Argument in Favor of Proposition No. 4

This proposition modifies the veterans tax exemption to make it more fair and equitable. It would limit eligibility for the exemption to veterans who:

1. Entered military service from California; or
2. Are residents on November 2, 1964
(One who by action and intent indicates that he will remain in California indefinitely is a resident. It is not necessary to have lived here any specified time.)

In other words, the proposition eliminates from eligibility the veteran from some other state who comes here after this year. <u>But no veteran or veteran's widow eligible today would lose that eligibility by this proposition.</u>

Every other state which grants a veterans bonus (most frequently compared with the California exemption) limits it to their own veterans. But an out-of-state veteran can claim the bonus in his own state then move to California and receive tax exemption here for the rest of his life. This practice would be stopped in the future by this proposition.

The CAL VET Farm and Home Loan Program is limited to California veterans. Thus, Proposition 4 brings the veterans exemption into line with other veterans benefit programs in this and other states.

Over 40 per cent of the veterans in California entered service in another state. These veterans are unaffected, but migrants in the future would not be eligible for the veterans exemption after their arrival.

Over $70,000,000 in local taxes were lost to cities, counties, school and other districts last year due to this exemption—or these costs were shifted to other taxpayers, including veterans now receiving the exemptions.

This proposition reduces the future impact—giving some relief to all taxpayers, without affecting any veteran or veteran's widow now eligible or those in the future who will enter the service from this state for eligible service.

The subject of this proposition, included with other related changes in the exemption, was approved 2 to 1 by the voters in 1960, but, through a technicality, failed to become law; it was defeated narrowly in 1962 with opposition based on combining more than one element in the proposition. Only one change is made by Proposition 4. Other changes have been dropped or submitted as a separate proposition.

Proposition 4 should be approved.

Control, pursuant to Government Code Section 16760.

(c) Such sum as is necessary to carry out the provisions of Section 8 of this act, which sum is appropriated without regard to fiscal years.

Sec. 6. The proceeds of bonds issued and sold pursuant to this act, together with interest earned thereon, if any, shall be deposited in the State Construction Program Fund. The money in the fund may be expended only for the purposes specified in this act and only pursuant to appropriation by the Legislature in the manner hereinafter prescribed.

Sec. 7. A section shall be included in the budget bill for each fiscal year bearing the caption State Construction Bond Act Program. Said section shall contain proposed appropriations only for the program contemplated by this act, and no funds derived from the bonds authorized by this act may be expended pursuant to an appropriation not contained in said section of the Budget Act. The Department of Finance, which is hereby designated as the board for the purposes of this act, shall annually total the Budget Act appropriations referred to in this section and, pursuant to Section 16730 of the Government Code, request the State Construction Program Committee to cause bonds to be issued and sold in quantities sufficient to carry out the projects for which such appropriations were made.

Sec. 8. For the purposes of carrying out the provisions of this act the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized to be sold for the purpose of carrying out this act. Any amounts withdrawn shall be deposited in the State Constructi Program Fund. Any moneys made availal under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this act, together with interest at the rate of interest fixed in the bonds so sold.

Sec. 9. The bonds authorized by this act shall be prepared, executed, issued, sold, paid and redeemed as provided in the State General Obligation Bond Law (Chapter 4 of Part 3, Division 4, Title 2 of the Government Code), and all of the provisions of said law are applicable to said bonds and to this act, and are hereby incorporated in this act as though set forth in full herein.

Sec. 10. The State Construction Program Committee is hereby created. The committee shall consist of the Governor, the State Controller, the State Treasurer, the Director of Finance, and the Director of General Services. For the purpose of this act the State Construction Program Committee shall be "the committee" as that term is used in the State General Obligation Bond Law.

Sec. 11. Out of the first money realized from the sale of bonds issued pursuant to this act there shall be redeposited to the credit of the appropriation made by subdivision (b) of Section 5 of this act such sums as have been expended for the purpo- specified in said subdivision (b) of Sectio The amounts so redeposited may be used fo the same purposes whenever additional sales of bonds are made pursuant to this act. When all the bonds authorized by this act have been sold, the unexpended and unobligated balance of the appropriation made by subdivision (b) of Section 5 of this act, shall revert to the General Fund.

3	**FOR THE STATE SCHOOL BUILDING AID BOND LAW OF 1964.** This act provides for a bond issue of two hundred sixty million dollars ($260,000,000) to provide capital outlay for construction or improvement of public schools.	
	AGAINST THE STATE SCHOOL BUILDING AID BOND LAW OF 1964. This act provides for a bond issue of two hundred sixty million dollars ($260,000,000) to provide capital outlay for construction or improvement of public schools.	

This proposed law, by act of the Legislature passed at the 1964 First Extraordinary Session, is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

(This proposed law does not expressly amend any existing law; therefore the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED LAW

Section 1. Chapter 15.6 (commencing with Section 19911) is added to Division 14 of the Education Code, to read:

Chapter 15.6. State School Building Aid Bond Law of 1964

19911. This act may be cited as the State School Building Aid Bond Law of 1964.

19912. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in t chapter. All references in this chapter "herein" shall be deemed to refer both to this chapter and such law.

[1]9913. As used in this chapter, and for [the] purposes of this chapter as used in the [St]ate General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means State School Building Finance Committee, created by Section 19510.

(b) "Board" means State Allocation Board.

(c) "Fund" means State School Building Aid Fund.

19914. For the purpose of creating a fund to provide aid to school districts of the State in accordance with the provisions of the State School Building Aid Law of 1952, including Section 19557 of the Education Code, and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Aid Fund under any act of the Legislature, together with interest provided for in that act, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of two hundred sixty million dollars ($260,000,000) in the manner provided herein, but not in excess thereof.

19915. All bonds herein authorized, which shall have been duly sold and deliv[ered] as herein provided, shall constitute [valid] and legally binding general obliga[tio]ns of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the State, as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund, not in excess of the principal of and interest on the said bonds then due and payable, except as herein provided for the prior redemption of said bonds, and, in the event such money so returned on said dates of maturity is less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State Treasury out of the fund as soon thereafter as it shall become available.

[1]9916. All money deposited in the fund [und]er Section 19611 of this code and pur[su]ant to the provision of Part 2, commencing with Section 16300, of Division 4, Title 2, of the Government Code, shall be available only for transfer to the General Fund, as provided in Section 19915. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by such transfer of funds.

19917. Whenever bonds are sold, out of the first money realized from their sale, there shall be redeposited in the revolving fund established in subdivision (b) of Section 19918 such sums as have been expended for the purposes specified in subdivision (b) of Section 19918 which funds may be used for the same purpose and repaid in the same manner whenever additional sales are made. Whenever all the bonds authorized by this chapter have been sold, the amount remaining in the revolving fund established by subdivision (b) of Section 19918 shall revert to the unappropriated surplus in the General Fund.

19918. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter, as said principal and interest become due and payable.

(b) The sum of seventy-five thousand dollars ($75,000) to be used as a revolving fund to pay the expenses incurred by the State Treasurer in having the bonds prepared and in advertising their sale or their prior redemption, for expenses incurred by the committee pursuant to Government Code Section 16758, and for legal services, upon approval of the State Board of Control, pursuant to Government Code Section 16760.

(c) Such sum as is necessary to carry out the provisions of Section 19919, which sum is appropriated without regard to fiscal years.

19919. For the purposes of carrying out the provisions of this chapter the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

19920. Upon request of the board, supported by a statement of the apportionments made and to be made under Sections 19551 to 19689, inclusive, the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to make such apportionments, and, if so, the amount of bonds then to be issued and sold. A sufficient number of bonds authorized under this chapter shall be issued and sold so that seventy million dollars ($70,000,000) will be available for apportionment on December 5, 1964, or as soon thereafter as such bonds can be issued and sold, and so that twelve million dollars ($12,000,000) will become available for apportionment on January 5, 1965 and a like amount on the fifth day of each month thereafter until a total of two hundred sixty million dollars ($260,000,000) has become available for apportionment. However, if the board determines that an additional three million dollars ($3,000,000) is necessary, a sufficient number of bonds authorized under this chapter shall be issued and sold so that fifteen million dollars ($15,000,000), rather than twelve million dollars ($12,000,000), will become available for apportionment on the fifth day of any month after January, 1965. Successive issues of bonds may be authorized and sold to make such apportionments progressively, and it shall not be necessary that all of the bonds herein authorized to be issued shall be sold at any one time.

19921. In computing the net interest cost under Section 16754 of the Government Code, interest shall be computed from date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, such computation to be made on a 360-day year basis.

19922. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

19923. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 19915 to pay principal and interest on bonds.

19924. With respect to the proceeds of bonds authorized by this chapter, all the provisions of Section 19551 to 19689, inclusive, shall apply except:

(a) Any reference in Sections 19551 to 19689, inclusive, to "Section 16.5, Article XVI of the Constitution of this State" shall be deemed a reference to this chapter.

(b) Any reference in Sections 19551 to 19689, inclusive, to "Section 19704" shall be deemed a reference to "Section 19915."

19925. Out of the first money realized from the sale of bonds under this act, there shall be repaid any moneys advanced or loaned to the State School Building Aid Fund under any act of the Legislature, together with interest provided for in that act.

4 **VETERANS' TAX EXEMPTION: RESIDENCY REQUIREMENT. Senate Constitutional Amendment No. 14.** Provides as requirement that no veteran or survivor shall be entitled to the veterans' tax exemption of $1,000 unless the veteran was a resident of California either or both at the time of entry into service or on the effective date of this amendment. Widow or surviving parent eligible for exemption on effective date of this amendment shall not lose exemption because of amendment.	**YES**	
	NO	

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in ~~STRIKE-OUT TYPE~~, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO ARTICLE XIII

That the second sentence of Section 1¼ of Article XIII of the Constitution of the State be amended to read:

No exemption shall be made under the provisions of this section of the property of a person who is not legal resident of the State ~~;~~ ~~provided, however,~~. **No person described in this section who has served in the Army, Navy, Marine Corps, Coast Guard or Revenue Marine (Revenue Cutter) Service of the United States, nor a widow, father, or mother of such person, shall be eligible for an exemption as a result of such service, unless such person was a resident of California either or both (1) at the time of his entry into such service or (2) at the effective date of the amendment of this sentence as proposed at the 1963 Regular Session of the Legislature, except that a widow, father or mother who was eligible for the exemption at the effective date of said amendment of this sentence shall not lose his or her eligibility for the exemption as a result of that amendment.** ~~all~~ **All** real property owned by the Ladies of the Grand Army of the Republic and all property owned by the California Soldiers Widows Home Association shall be exempt from taxation.